



South Carolina  
Department of Disabilities  
and Special Needs

# House Ways & Means Committee / HHS Subcommittee FY 2023-24 Budget Request

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**Constance Holloway**  
**Interim State Director & General Counsel**

**January 18, 2023**

# SCDDSN Key Officials

Ms. Constance Holloway – Interim State Director & General Counsel

Ms. Janet Brock Priest - Associate State Director, Operations

Ms. Lori Manos - Associate State Director, Policy

Mr. Quincy Swygert - Chief Financial Officer

Ms. Harley T. Davis, Ph.D. - Chief Administrative Officer

Mr. Greg Meetze - Chief Information Officer

Ms. Courtney Crosby - Director of Internal Audit

Ms. Elizabeth Lemmond - Director of Human Resources

# SCDDSN Agency Overview

**Mission:** Assist people with disabilities and their families through choice in meeting needs, pursuing possibilities and achieving life goals and minimize the occurrence and reduce the severity of disabilities through prevention.

## SCDDSN SERVES PEOPLE WITH CONDITIONS RELATED TO EACH OF THESE FOUR DISABILITIES...

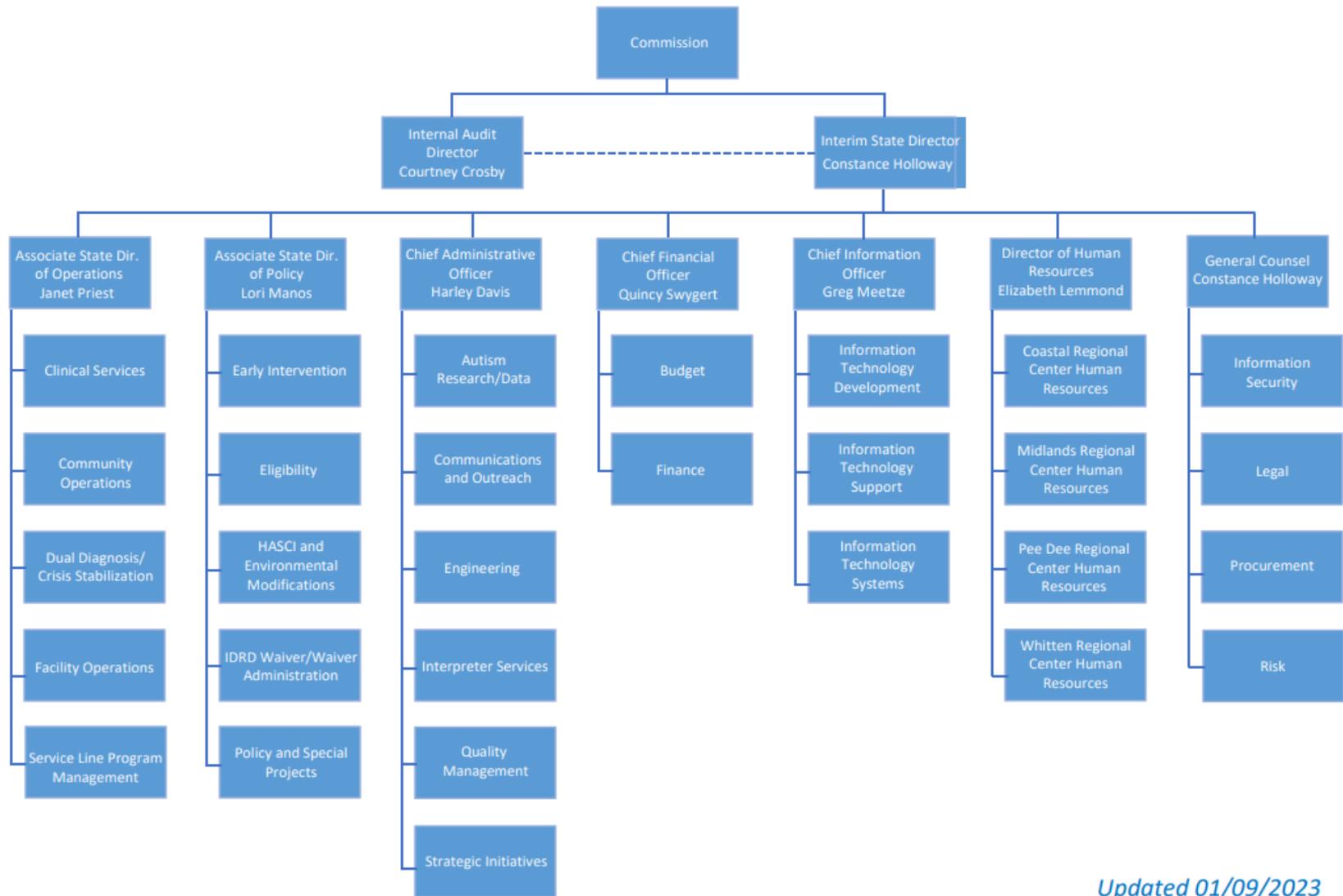
HEAD &  
SPINAL CORD  
INJURIES



AUTISM

INTELLECTUAL &  
RELATED  
DISABILITIES

# SCDDSN Organizational Chart



Updated 01/09/2023

# SCDDSN FTE Breakdown

Position Type	Agency Total					Regional Centers					Administration				
	Filled	%	Vacant	%	Total	Filled	%	Vacant	%	Total	Filled	%	Vacant	%	Total
Classified FTE's:															
Nursing	93	45%	113	55%	206	93	45%	113	55%	206	-	0%	-	0%	-
Direct Support Staff	682	53%	612	47%	1,294	682	53%	612	47%	1,294	-	0%	-	0%	-
Admin/Operational Support	439	80%	110	20%	549	288	83%	59	17%	347	151	75%	51	25%	202
<b>Total Classified FTE's</b>	<b>1214</b>	<b>59%</b>	<b>835</b>	<b>41%</b>	<b>2049</b>	<b>1063</b>	<b>58%</b>	<b>784</b>	<b>42%</b>	<b>1847</b>	<b>151</b>	<b>75%</b>	<b>51</b>	<b>25%</b>	<b>202</b>
Agency Head	1	100%	-	0%	1	-		-		-	1	100%	-	0%	1
Unclassified	4	67%	2	33%	6	4	80%	1	20%	5	-	0%	1	100%	1
<b>Total FTE Count</b>	<b>1219</b>	<b>59%</b>	<b>837</b>	<b>41%</b>	<b>2,056</b>	<b>1067</b>	<b>58%</b>	<b>785</b>	<b>42%</b>	<b>1,852</b>	<b>152</b>	<b>75%</b>	<b>52</b>	<b>25%</b>	<b>204</b>

As of a December 2022 1018 report from SCEIS, there are 837 FTE vacancies

- Based on current appropriations, 63% or 527 vacant FTE's are unfunded and 37% or 310 vacant FTE's are funded

# SCDDSN FY2021 – 2022 Year-End

Revenue:	General Fund	Other Funds	Federal Funds	Total Funds
FY2020 - 2021 Carry Forward	\$ -	\$ 60,107,322	\$ -	\$ 60,107,322
FY2021 - 2022 Revenue	\$ 292,067,471	\$ 427,829,573	\$ 11,502	\$ 719,908,546
<b>Total Revenue</b>	<b>\$ 292,067,471</b>	<b>\$ 487,936,895</b>	<b>\$ 11,502</b>	<b>\$ 780,015,868</b>

Expenditures:	General Fund	Other Funds	Federal Funds	Total Funds
Salaries and Fringe	\$ 81,409,881	\$ 2,967,998	\$ -	\$ 84,377,879
Contractual Services	\$ 198,746,237	\$ 335,897,333	\$ 8,043	\$ 534,651,613
Other Operating	\$ 3,233,834	\$ 12,005,939	\$ 3,459	\$ 15,243,232
Case Services	\$ 1,535,260	\$ 5,055,245	\$ -	\$ 6,590,505
Allocations	\$ 2,265,000	\$ -	\$ -	\$ 2,265,000
<b>Total Expenditures</b>	<b>\$ 287,190,212</b>	<b>\$ 355,926,515</b>	<b>\$ 11,502</b>	<b>\$ 643,128,229</b>

<b>FY2022 - 2023 Carry Forward</b>	<b>\$ 4,877,259</b>	<b>\$ 132,010,381</b>	<b>\$ -</b>	<b>\$ 136,887,639</b>
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(General Carry Forward via SCEIS Doc # 1000858653 \$2.62M and Special Carry Forward via SCEIS Doc # 1000848663 & 1000848664 \$2.25M)

- Other funds Carry Forward, in Medicaid fund, due to 6.2% Enhanced FMAP savings.
- Due to the ongoing fee-for-service transition, monthly “other fund revenue” has decreased from approximately \$38M per month to \$16M per month. This will continue to decrease until all phases of transition are completed

# SCDDSN Payment System Transition

**Background:** In FYs 2018 & 2019, the Senate and House legislative oversight performance reviews suggested DDSN move away from its tendency to manage providers as if extensions of DDSN and towards promoting provider competition to benefit from market forces.

- A key component was to transition the way services were funded from a prospective, capitated “Band” payment system for DSN Boards to a retrospective fee-for-service (FFS) payment system. This complex transition was divided into phases occurring over multiple fiscal years:
  - Phase 1 – In FY2020, Waiver Case Management Services and Early Intervention Services transitioned to FFS
  - Phase 2 – In FY2021, beginning January 1, 2021, Respite and Day Services transitioned to FFS
  - Phase 3 – In FY2022, beginning April 1, 2022, remaining Home and Community Based Services converted to FFS (residential)
  - Phase 4 – FY2023, Intermediate Care Facility – Community-Based for Individuals with Intellectual Disabilities (ICFC-IID) will be transitioned to FFS

# Program Updates

# SCDDSN Enrollment Overview – thru Dec. 2022

**Who is eligible for services?** DDSN currently has 36,111 individuals with intellectual disabilities, autism, head & spinal cord injuries, and related disabilities eligible for services.

**What services are provided?** DDSN's FY23 legislative appropriations of \$690 million serves 21,461 individuals through a variety of resource mechanisms:

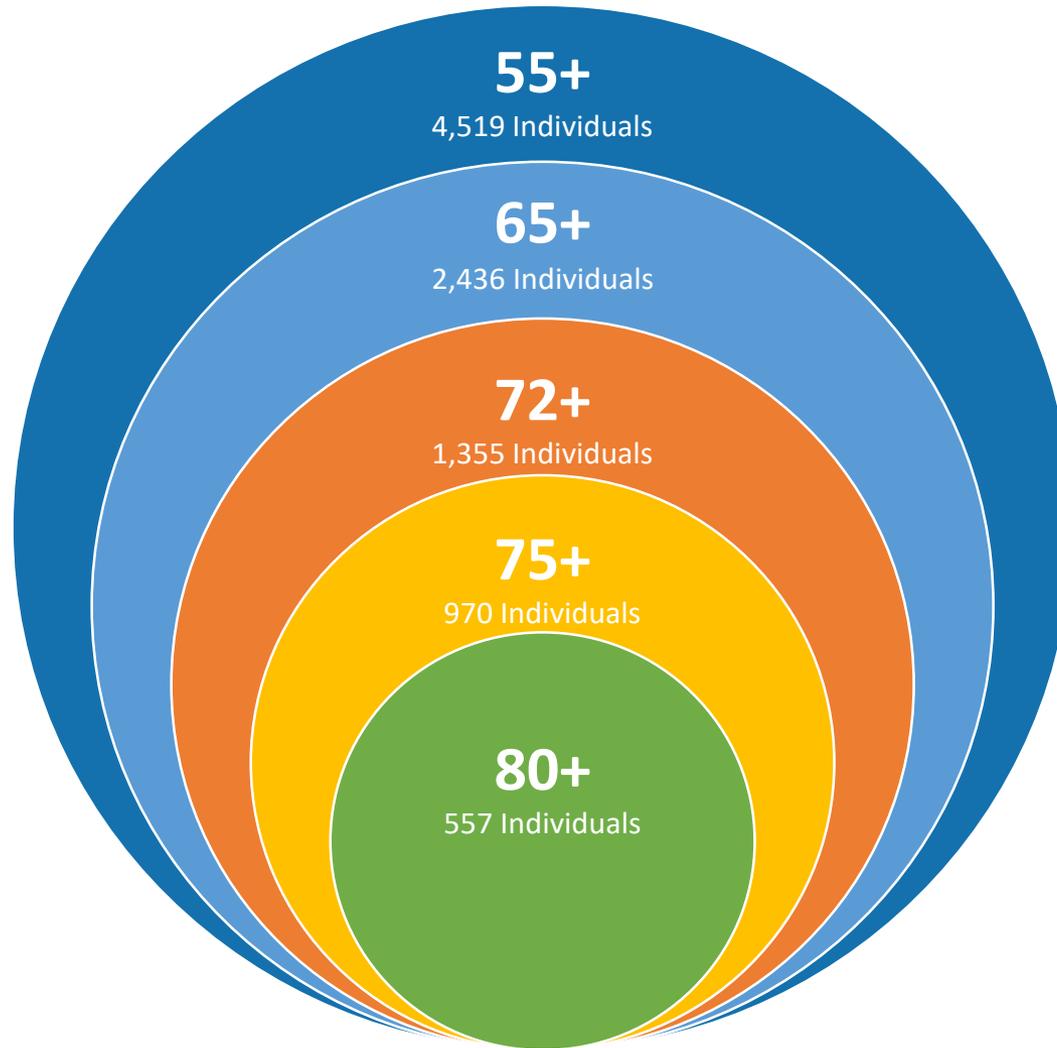
- Medicaid At-Home Waivers (8,775);
- Medicaid Residential Waivers (3,817);
- Medicaid Community Intermediate Care Facilities (468);
- Medicaid Regional Center Intermediate Care Facilities (562);
- State funded services (213);
- Early Intervention (4,058); and
- State Funded Family Support (3,568).

**How do we spend our funds?** DDSN's FY2022 annual expenditures were used for the following:

- Contracted services (DSN Board, Private Provider) (85.1%),
- DDSN - operated Regional Center Intermediate Care Facilities (12.0%),
- DDSN - operated Autism residential homes (0.2%), and
- DDSN - administrative overhead (2.7%).

# SCDDSN Enrollment Overview – thru Dec. 2022

## Summary of Individuals Living with Aging Caregivers



# SCDDSN Critical Needs List Statistics – thru Dec. 2022

184

- Individuals on Critical Needs List as of December 2022

80%

- Individuals on Critical Needs List who have a “dual diagnosis”. (Intellectual Disability and Behavioral Health diagnosis)

6.5 Months

- Average length of time 184 individuals have been on critical needs list.

23

- Individuals on Waiting List for more than One Year; 2.8 years is longest waiting time on list.

# FY 2023-2024 Budget Request

# Summary of SCDDSN FY2023-2024 Budget Request

Priority	Description of Agency Need	State	Earmarked	Total	Type	In Executive Budget
1	<b>Crisis Stabilization</b> - decision package is designed to establish three (3) Regional Center-Based Stabilization Units throughout the state, and provide professional staffing support to collaborate with providers of Community-Based Crisis Stabilization units.	\$11,009,000	\$ -	\$11,009,000	Recurring	No
2	<b>Regional Center DSP Career Path</b> - decision package is designed to maintain a multi-tiered career progression for Direct Support Professionals (DSP). DDSN is seeking continued funding in order to increase career progressions statewide.	\$ 3,720,000	\$ 8,680,000	\$12,400,000	Recurring	Yes
3	<b>Effort of Maintenance</b> - decision package is designed to comply with the requirements of an administrative contract with SCDHHS where DDSN will perform initial Level of Care Evaluations, annual Level of Care reevaluations for all DDSN operated Home and Community-Based Service Waivers participants, additional risk assessments, quality assurance assessments, and autism data research. DDSN also began utilizing Statewide Case Managers to appropriately support people who present with complex needs and to perform other case management functions when needed.	\$ 1,404,800	\$ 790,200	\$ 2,195,000	Recurring	Yes
4	<b>Eligibility Project Team - Autism Assessments</b> - decision package is designed to combat the loss of experts who were trained to evaluate people suspected of being on the Autism Spectrum. With a goal of decreasing the wait time from more than six months to under sixty days.	\$ 960,000	\$ -	\$ 960,000	Recurring	Yes
5	<b>Autism Youth Residential Habilitation</b> - decision package is designed to address the need for residential services specifically tailored for youth with Autism.	\$ 1,314,000	\$ 3,066,000	\$ 4,380,000	Recurring	No
6	<b>DDSN State Owned Properties - Recurring Maintenance of Community Properties per Proviso 36.6</b> - decision package is designed to support fifty-nine (59) properties which are owned by DDSN and are occupied by DDSN service providers at no charge.	\$ 295,000	\$ -	\$ 295,000	Recurring	No
7	<b>Federal Medicaid Assistance Percentage</b> - DDSN is requesting \$8M in State funds (Non-Recurring) for this initiative in anticipation that once the COVID impact, which include federal stimulus fund payments, is flushed out of the per capita income figures, the FMAP will return to historical levels.	\$ 8,000,000	\$ -	\$ 8,000,000	Non-Recurring	No
8	<b>South Carolina Genomic Medicine Initiative</b> - 4th installment of a projected five-year \$10 million state funded plan in conjunction with funds from the private sector.	\$ 2,000,000	\$ -	\$ 2,000,000	Non-Recurring	Yes
9	<b>Appropriation Transfer to SCDHHS for Enhanced Waiver services Rates &amp; New Waiver Slots</b> - decision package is designed to support collaboration with SCDHHS, as DDSN local providers transition from a Prospective Payment of Services from DDSN to a direct payment Fee-for-Service (FFS) model to SCDHHS.	\$ (8,900,000)	\$ -	\$ (8,900,000)	Recurring	Yes
<b>TOTAL</b>		<b>\$19,802,800</b>	<b>\$12,536,200</b>	<b>\$32,339,000</b>		

# Priority #1 – Crisis Intervention and Stabilization

(\$11 million - recurring general funds)

This decision package is designed to establish three (3) Regional Center-Based Stabilization Units throughout the state, and provide professional staffing support to collaborate with providers of Community-Based Crisis Stabilization units.

- South Carolina does not currently have sufficient residential services options for stabilizing individuals who are dually diagnosed with mental illness (MI) and/or have complex behavior needs.
- Will create a non-traditional access point for individuals with mental illness and intellectual disabilities who are experiencing a behavioral health crisis
- Will relieve pressure away from emergency departments, hospitals, and would provide a potential option for individuals currently in a correctional facility.

This High-Management Residential Stabilization will require a specialized medical professional team staffing trained in positive behavior psychology, and special education.

- **Floating Medical Professional Team** – Three (3) Psychiatrist, six (6) Board Certified Behavior Analysts, six (6) Registered Nurses, six (6) Licensed Practical Nurses - \$2.9M
- **Regional/Community Facilities Staff for four facilities** – Two (2) Facility Manager, three (4) Direct Support Professional III (DSP III), fifteen (19) Registered Behavior Technician (DSP II), and fifteen (19) Direct Support Professional I position(s). \$6.5M
- **Operating Budget for four facilities, Interdisciplinary Technical Advisory Team (ITAC), Training Initiative** – Facility operating budget covers cost for additional utilities, food service, linens, and furnishings. ITAC budget covers salary and travel cost for advisory team. Training budget covers cost for above 65 proposed staff. \$1.6M

# Priority #2 – Regional Center DSP Career Path

(\$3.7 million - recurring general funds, \$8.7M recurring earmarked funds)

This decision package is designed to maintain a multi-tiered career progression for Direct Support Professionals (DSP). DDSN is seeking continued funding in order to increase career progressions statewide for :

- **DSP III** – Reclass (55) positions who will serve as supervisors of the DSP I and DSP II positions
- **DSP II** – Increase Base Salary for DSP II (130) positions.
- **DSP I** – Increase Base Salary for DSP I (556) positions

This pathway has been approved by the State Office of Human Resources. This funding will allow DDSN to draw down approximately \$8.7 million in Medicaid earnings.

# Priority #3 – Effort of Maintenance

(\$1.4 million - recurring general funds, \$790K recurring earmarked funds)

This decision package is designed to comply with the requirements of an administrative contract with SCDHHS where DDSN will perform initial Level of Care Evaluations, annual Level of Care reevaluations for all DDSN operated Home and Community-Based Service Waivers participants, additional risk assessments, quality assurance assessments, and autism data research. DDSN also began utilizing Statewide Case Managers to appropriately support people who present with complex needs and to perform other case management functions when needed. This effort has proven to be cost effective and efficient.

DDSN is seeking to add the following additional staff:

- **Statewide Case Managers** – Four (4) Program Coordinator II + One (1) Program Manager I
- **Level of Care Re-Evaluation Team** – Five (5) Program Coordinator I
- **Risk Investigators for ANE & Critical Care Incident** – Seven (7) Program Coordinator II
- **Quality Assurance** – Four (4) Program Coordinator II
- **Autism Data and Research** – One (1) Program Manager II + One (1) Research & Planning Consultant

# Priority #4 – Eligibility Project Team – Autism Assessment

## (\$960K - recurring general funds)

This decision package is designed to combat the loss of experts who were trained to evaluate people suspected of being on the Autism Spectrum. As a result, the wait time for an evaluation to confirm the diagnosis has increased.

The current wait time at DDSN is approximately six months.

The current wait time for an evaluation at Prisma or MUSC exceeds a year.

Access to services as early as possible is critical for best outcomes for youth. With a goal of decreasing the wait time to under **sixty days**, DDSN is requesting funding for eight (8) Master's level evaluators to conduct these evaluations across the state.

# Priority #5 – Autism Youth Residential Habilitation

(\$1.3 million - recurring general funds, \$3 million recurring earmarked funds)

This decision package is designed to address the need for residential services specifically tailored for youth with Autism. While it is acknowledged that being at home with family is the best and most appropriate living situation for most children, some children, especially those with Autism require highly structured out-of-home environments. This initiative would provide needed support to families and potentially relieve pressure away from emergency departments and hospitals.

- Funding for 24 Beds at approx. \$500 per day 365 days = \$4.3 million dollars (total funds)

# Priority #6 – DDSN Owned Properties –per Proviso 36.6

(\$295K - recurring general funds)

This decision package is designed to support fifty-nine (59) properties which are owned by DDSN and are occupied by DDSN service providers at no charge. While these properties vary in use, they are typically used to deliver residential services or day services.

- Proviso 36.6 was originally placed in the FY21 Appropriation act and requires DDSN to maintain these properties. DDSN has committed \$2.3 million of its current nonrecurring dollars to address deferred maintenance in these homes in compliance with Proviso 36.6. Once deferred maintenance is addressed, the estimated cost of continued maintenance of each of these properties is \$5,000 per year.

DDSN is requesting \$295K in State funds (Recurring) for this initiative.

# Priority #7 – Federal Medicaid Assistance Percentage

## (\$8 million – non-recurring general funds)

The Federal Medical Assistance Percentage (FMAP) is the amount of money that the federal government pays as matching dollars for Medicaid services at a rate that varies year to year. The FMAP is computed from a formula that considers the average of the three most recent calendar years per capita income for South Carolina relative to the national average.

$$FMAP = 1.00 - 0.45 \left( \frac{\text{State Per Capita Income}}{\text{US Per Capita Income}} \right)^2$$

By law, the FMAP cannot be less than 50%. South Carolina's FMAP has not dipped below the 70% mark since 2008 and has average 70.67% since 2009. The final FMAP for FY2024 is 69.53%. The FMAP is counter cyclical in nature, meaning when the states economy is performing well and tax collections are up, the less matching dollars the Federal government will provide for South Carolina's Medicaid eligible programs.

DDSN is requesting \$8M in State funds (Non-Recurring) for this initiative in anticipation that once the COVID impact, which include federal stimulus fund payments, is flushed out of the per capita income figures, the FMAP will return to historical levels. However, if South Carolina's economy keeps out-performing the nation, DDSN would have to request recurring funds once the non-recurring funds have been exhausted. DDSN will continue to work with the Office of Revenue and Fiscal Affairs to monitor quarterly per capita income levels and any future FMAP projections which are released.

# Priority #8 – South Carolina Genomic Medicine Initiative

(\$2 million – non-recurring general funds)

The request of \$2,000,000 of new state funds for FY24, which would be South Carolina's fourth annual \$2,000,000 investment in a projected five-year \$10 million state funded plan in conjunction with funds from the private sector. Anticipated partners include the private sector, such as Duke Endowment, a major university, and individual donors. It is the intention of the GGC to work with SCDHHS to pursue an administrative Medicaid match for this project to demonstrate the impact and value to the Centers for Medicare and Medicaid Services (CMS).

# Priority #9 – FFS Conversion Appropriation Transfer to SCDHHS

## (\$8.9 million - recurring general funds)

This decision package is designed to support collaboration with SCDHHS, as DDSN local providers transition from a prospective payment of services from DDSN to a direct payment Fee-for-Service (FFS) model to SCDHHS. This change will move the cost of Medicaid Services listed under the three (3) Home and Community-Based Services Waivers; (Intellectual Disability/Related Disabilities, Community Supports, and the Head & Spinal Cord Injury Waivers) to the SCDHHS budget. DDSN will still maintain oversight and continue to operate all three waivers.

This will be a permanent transfer and is cost neutral to the state. SCDHHS has included the offsetting transfer in their FY24 Budget Request.

# FY 2023-2024 Proviso Request

# FY2023 – 2024 Proviso Changes

## DDSN is requesting to delete one proviso:

- 36.13 – Service Providers Expenditure Requirement – **Delete**  
(*Fee-for-Service conversion has rendered this proviso obsolete*)

**36.13. (DDSN: Service Providers Expenditure Requirement)** - For the current fiscal year, in order to accommodate service provider infrastructure needs resulting from the reductions in the department's waiting lists, service providers including local disabilities and special needs boards are authorized to carry forward from the prior fiscal year unexpended funds based on a ninety percent expenditure requirement for capitated services. Service providers shall not withhold services in order to generate funds to be carried forward. The expenditure requirement shall not affect the department's three month reserve limitation policy. If the department's Medicaid allowable costs, in the aggregate, do not meet the level of certified public expenditures (CPEs) reported to the Department of Health and Human Services, the department is allowed to recoup funds necessary to remain in compliance with federal Medicaid CPE rules.

